



9-1-1 REGIONALIZATION TECHNICAL FINANCE COMMITTEE REPORT

COUNTIES: DOUGLAS – SARPY – WASHINGTON

CITIES: BELLEVUE, GRETNA, LA VISTA, OMAHA, PAPILLION, SPRINGFIELD

JULY 29, 2013

COMMITTEE REPORT

The 911 Shared Services Technical Finance Committee was asked to develop estimates of the cost differences between operating separate call centers for Sarpy and Douglas Counties and combining operations into a single shared services center that would take calls and do dispatching for the two counties. The steps in this process are to 1) identify current costs of the two centers and project future costs of maintaining separate services and 2) to project future costs of a shared call center.

Table 1 shows estimated projected costs for operating the Douglas County Call Center. Table 2 shows estimated projected costs for operating the Sarpy Call Center. Table 3 shows the combined costs for operating both call centers. Table 4 shows the projected costs of operating a shared services call center for both counties. Table 5 shows the projected cost saving beginning with a projected implementation of a shared call center beginning in FY17-18.

Cost for both Sarpy and Douglas County Call Centers are based on actual costs for FY12-13. Personnel, Operating, Supplies, Rent, and Capital Outlays are increased at a rate of 4% per fiscal years for each county and for both scenarios. Additional costs from the baseline years are based on the following assumptions:

1. Costs for FY12-13 are adopted budget amounts. Budgeted costs for FY13-14 are amounts currently proposed but are subject to change
2. Rent costs for Douglas County are increased by \$30,000 for FY13-14 and carried forward into subsequent years.
3. Personnel costs for Sarpy County for FY 13-14 include 4 additional dispatchers for six months plus 4%. Operating costs for Sarpy County for FY 13-14 include one-time cost of \$50,000 for a communications operations consultant.
4. Personnel costs for Sarpy County for FY 14-15 include a full 12 months for the additional dispatchers plus 4%.
5. For FY14-15, we assume Douglas County adds a fifth precinct, thereby requiring 1 additional fire/medical dispatcher. Coverage of one dispatcher position requires five FTE. Estimated annual cost is \$346,198 which is added to Personnel in FY14-15 and increased at 4% in subsequent years.
6. For FY14-15, Sarpy County will expend \$75,000 in remodeling costs which will be a one-time expenditure.
7. For FY15-16, Sarpy County will expend an additional \$271,000 for maintenance. This is added to the base and will be ongoing costs.

8. For FY17-18, it is anticipated both Douglas and Sarpy Counties will need to address end of life for base stations and need to replace them. Estimates are replacements for 160 base stations for Douglas County at \$40,000 per base station (\$6.4 million) and 30 base stations for Sarpy County based on actual cost estimate for base station replacement of \$1,844,982
9. Beginning in FY18-19, Sarpy County is expected to expend \$329,373 annually for a service agreement, which is reflected in operating costs.
10. For FY18-19, it is anticipated that Douglas County will require expanded space. Cost of improvements to the IT center, renovating existing space and replacing air handling equipment is \$3.5 million.
11. For FY 18-19, it is anticipated that Sarpy County will require a new facility estimated at \$7.5 million in one-time costs.

Projected costs for a shared call center for Sarpy and Douglas Counties are based on the following assumptions:

1. The process for developing a shared call center including reaching consensus on moving forward, passing a bond issue, soliciting bids and selecting a contractor would result in shared call center implementation by FY17-18 at the earliest. Hence costs for fiscal years prior to FY17-18 are identical for the shared services center and the individual call centers for Douglas and Sarpy Counties (Tables 3 & 4).
2. Personnel cost for the Shared Call Center are based 99 FTE call center staff at projected FY17-18 salaries and benefits.
3. Starting FY17-18, Operating Cost are estimated at the estimated Douglas County operating cost plus 10%
4. Rent costs in FY17-18 combine Douglas County projected rent costs plus projected Sarpy County rent costs for towers (currently \$27,142 multiplied by 4% per year through FY17-18), eliminating other Sarpy County rent costs.
5. Capital costs include the same costs for base station replacement for Sarpy and Douglas Counties as the status quo; there may be additional cost savings by combining purchase of base stations and shared service agreements; however, at this time, these cost savings cannot be estimated.
6. For the shared call center, the cost of a new Sarpy facility is eliminated.
7. Cost projections past FY19-20 are estimated at 4% increase for both separate centers and shared call center.

It is estimated that cost will increase for the first year of the shared call center of \$1,287,412. Beginning in FY18-19, we estimate cost savings. Total cost savings for the six year period from the shared call center inception and ending FY22-23 are estimated to be at least \$20 million. On an ongoing basis, cost savings are estimated at approximately \$2 million per year.

Table 1: Project Costs for Douglas County Call Center

Cost Category	Fiscal Year								
	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	Total
Personnel	\$5,249,069	\$5,459,032	\$6,023,591	\$6,264,535	\$6,515,116	\$6,775,721	\$7,046,750	\$7,328,620	\$50,662,432
Operating	\$1,850,000	\$1,924,000	\$2,000,960	\$2,080,998	\$2,164,238	\$2,250,808	\$2,340,840	\$2,434,474	\$17,046,319
Supplies	\$14,000	\$14,560	\$15,142	\$15,748	\$16,378	\$17,033	\$17,714	\$18,423	\$128,999
Rent	<u>\$16,000</u>	<u>\$46,640</u>	<u>\$48,506</u>	<u>\$50,446</u>	<u>\$52,464</u>	<u>\$54,562</u>	<u>\$56,745</u>	<u>\$59,014</u>	<u>\$384,376</u>
Subtotal	\$7,129,069	\$7,444,232	\$8,088,199	\$8,411,727	\$8,748,196	\$9,098,124	\$9,462,049	\$9,840,531	\$68,222,126
Capital	<u>\$30,000</u>	<u>\$31,200</u>	<u>\$32,448</u>	<u>\$33,746</u>	<u>\$35,096</u>	<u>\$6,436,500</u>	<u>\$3,537,960</u>	<u>\$39,478</u>	<u>\$10,176,427</u>
Grand Total	<u>\$7,159,069</u>	<u>\$7,475,432</u>	<u>\$8,120,647</u>	<u>\$8,445,473</u>	<u>\$8,783,292</u>	<u>\$15,534,624</u>	<u>\$13,000,008</u>	<u>\$9,880,009</u>	<u>\$78,398,553</u>

Table 2: Project Costs for Sarpy County Call Center

Cost Category	Fiscal Year								
	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	Total
Personnel	\$3,173,125	\$3,302,037	\$3,512,054	\$3,652,536	\$3,798,638	\$3,950,583	\$4,108,606	\$4,272,951	\$29,770,530
Operating	\$201,450	\$177,500	\$184,600	\$462,984	\$481,503	\$500,763	\$850,167	\$884,174	\$3,743,142
Supplies	\$12,000	\$11,500	\$11,960	\$12,438	\$12,936	\$13,453	\$13,992	\$14,551	\$102,830
Rent	<u>\$33,713</u>	<u>\$63,000</u>	<u>\$65,520</u>	<u>\$68,141</u>	<u>\$70,866</u>	<u>\$73,701</u>	<u>\$76,649</u>	<u>\$79,715</u>	<u>\$531,306</u>
Subtotal	\$3,420,288	\$3,554,037	\$3,774,134	\$4,196,099	\$4,363,943	\$4,538,501	\$5,049,414	\$5,251,391	\$34,147,808
Capital	<u>\$229,803</u>	<u>\$176,500</u>	<u>\$258,560</u>	<u>\$190,902</u>	<u>\$198,538</u>	<u>\$2,051,462</u>	<u>\$7,714,739</u>	<u>\$223,329</u>	<u>\$11,043,834</u>
Grand Total	<u>\$3,650,091</u>	<u>\$3,730,537</u>	<u>\$4,032,694</u>	<u>\$4,387,002</u>	<u>\$4,562,482</u>	<u>\$6,589,963</u>	<u>\$12,764,153</u>	<u>\$5,474,719</u>	<u>\$45,191,642</u>

Table 3: Project Costs for Douglas and Sarpy Separate County Call Centers

Cost Category	Fiscal Year								
	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	Total
Personnel	\$8,422,194	\$8,761,069	\$9,535,645	\$9,917,071	\$10,313,754	\$10,726,304	\$11,155,356	\$11,601,570	\$80,432,962
Operating	\$2,051,450	\$2,101,500	\$2,185,560	\$2,543,982	\$2,645,742	\$2,751,571	\$3,191,007	\$3,318,648	\$20,789,460
Supplies	\$26,000	\$26,060	\$27,102	\$28,186	\$29,314	\$30,487	\$31,706	\$32,974	\$231,830
Rent	<u>\$49,713</u>	<u>\$109,640</u>	<u>\$114,026</u>	<u>\$118,587</u>	<u>\$123,330</u>	<u>\$128,263</u>	<u>\$133,394</u>	<u>\$138,730</u>	<u>\$915,682</u>
Subtotal	\$10,549,357	\$10,998,269	\$11,862,333	\$12,607,826	\$13,112,139	\$13,636,625	\$14,511,463	\$15,091,922	\$102,369,934
Capital	<u>\$259,803</u>	<u>\$207,700</u>	<u>\$291,008</u>	<u>\$224,648</u>	<u>\$233,634</u>	<u>\$8,487,962</u>	<u>\$11,252,699</u>	<u>\$262,807</u>	<u>\$21,220,261</u>
Grand Total	<u>\$10,809,160</u>	<u>\$11,205,969</u>	<u>\$12,153,341</u>	<u>\$12,832,475</u>	<u>\$13,345,774</u>	<u>\$22,124,587</u>	<u>\$25,764,162</u>	<u>\$15,354,728</u>	<u>\$123,590,195</u>

Table 4: Project Costs for Shared Services Call Center for Sarpy and Douglas Counties

Cost Category	Fiscal Year								
	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	Total
Personnel	\$8,422,194	\$8,761,069	\$9,535,645	\$9,917,071	\$10,313,754	\$8,863,967	\$9,218,526	\$9,587,267	\$74,619,492
Operating	\$2,051,450	\$2,101,500	\$2,185,560	\$2,543,982	\$2,645,742	\$2,475,889	\$2,904,297	\$3,349,842	\$20,258,262
Supplies	\$26,000	\$26,060	\$27,102	\$28,186	\$29,314	\$31,694	\$32,962	\$34,280	\$235,598
Rent	<u>\$49,713</u>	<u>\$109,640</u>	<u>\$114,026</u>	<u>\$118,587</u>	<u>\$123,330</u>	<u>\$52,488</u>	<u>\$54,588</u>	<u>\$56,771</u>	<u>\$679,142</u>
Subtotal	\$10,549,357	\$10,998,269	\$11,862,333	\$12,607,826	\$13,112,139	\$11,424,037	\$12,210,372	\$13,028,160	\$95,792,494
Capital	<u>\$259,803</u>	<u>\$207,700</u>	<u>\$291,008</u>	<u>\$224,648</u>	<u>\$233,634</u>	<u>\$11,987,962</u>	<u>\$252,699</u>	<u>\$262,807</u>	<u>\$13,720,261</u>
Grand Total	<u>\$10,809,160</u>	<u>\$11,205,969</u>	<u>\$12,153,341</u>	<u>\$12,832,475</u>	<u>\$13,345,774</u>	<u>\$23,411,999</u>	<u>\$12,463,071</u>	<u>\$13,290,967</u>	<u>\$109,512,755</u>

Table 5: Longer-Term Projected Cost Savings

	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	Total
Separate Centers	\$22,124,587	\$25,764,162	\$15,354,728	15,968,917	16,607,674	17,271,981	\$113,092,049
Combined Center	<u>\$23,411,999</u>	<u>\$12,463,071</u>	<u>\$13,290,967</u>	<u>13,822,605</u>	<u>14,375,509</u>	<u>14,950,530</u>	<u>\$92,314,681</u>
Projected Savings	<u>(\$1,287,412)</u>	<u>\$13,301,091</u>	<u>\$2,063,762</u>	<u>\$2,146,312</u>	<u>\$2,232,165</u>	<u>\$2,321,451</u>	<u>\$20,777,368</u>